

Emergency Unemployment Benefits Help Workers, Families, and the Economy

Working families across the United States have struggled during the economic crisis created by the COVID-19 pandemic. At the peak of the pandemic, 22 million jobs were lost. Thanks to action by Congress, unemployment benefits were enhanced to ensure Americans could put food on their tables and pay their bills. While the economy has begun to recover, there are still 8 million fewer jobs than when the pandemic started. The American Rescue Plan, enacted in March, extended enhanced \$300-a-week unemployment benefits through September 2021 to help unemployed Americans pay their bills as they look for work.

Despite the help these unemployment benefits have provided to millions of families, Republicans have announced plans to end these benefits in Alabama, Arizona, Arkansas, Georgia, Idaho, Iowa, Montana, Mississippi, Missouri, North Dakota, Ohio, South Carolina, South Dakota, Tennessee, Utah, and Wyoming:

“More than 1.9 million Americans in Alabama, Mississippi and 14 other Republican-led states are set to have their unemployment checks slashed significantly starting in June.... The cuts are likely to fall hardest on roughly 1.4 million people who benefit from stimulus programs that Congress adopted at the height of the coronavirus pandemic, including one targeting those who either are self-employed or work on behalf of gig-economy companies such as Uber. Beginning next month, many of these workers are likely to receive no aid at all.” [[Washington Post, 5/13/21](#)]

FACT CHECK: ENHANCED UI BENEFITS ARE NOT THE REASON FOR APRIL’S UNEMPLOYMENT RATE

Despite Republican talking points, enhanced UI benefits are not to blame for the lagging April jobs report.

GOP CLAIM: Enhanced unemployment benefits are slowing down the economic recovery.

FACT CHECK: The number of Americans applying for unemployment benefits has [steadily declined](#) as more Americans return to the workforce, recently hitting [their lowest point](#) since March 2020 with rates declining four out of the last five weeks. In the first three months of the Biden-Harris Administration, the economy added “more than 1.5 million jobs...these three months have seen the strongest first three months of job growth of any administration.” [[White House Fact Sheet, 5/10/21](#)]

GOP CLAIM: Americans are refusing job offers because they receive more through unemployment benefits.

FACT CHECK: The Pandemic Emergency Unemployment Compensation (PEUC), established under the CARES Act and extended in the American Rescue Plan, requires that those receiving benefits accept suitable employment – which is true for all unemployment benefit programs. [[NPR, 5/10/21](#)]

According to labor experts, “The slowdown in hiring may instead reflect workers’ concern about their safety and difficulty obtaining child care, or their trouble finding suitable positions in hard-hit industries such as tourism on top of mounting frustration about wages they consider too low. That means the loss of unemployment benefits over the next month threatens to inflict new financial harm on those who say they’re already struggling.” [[Washington Post, 5/13/21](#)]

ENHANCED UNEMPLOYMENT INSURANCE SAVED AMERICAN FAMILIES FROM FINANCIAL RUIN, PREVENTED A WORSE ECONOMIC CRISIS

The COVID-19 pandemic has impacted all aspects of life in America, and millions of families have faced severe economic and health challenges. Enhanced UI benefits were necessary to ensure Americans could continue to pay their bills and care for their families – if they hadn’t had this resource, the economic crisis would have been much worse.

[According to the Century Foundation](#), one in four workers received unemployment assistance during the pandemic:

- “As many as **46.2 million individuals have received at least one week of unemployment** (first payments) during the pandemic...To put this in comparison, **only 5 million Americans started a UI claim and received a payment in the twelve months prior** to the pandemic.”
- “Continued UI claims **reached over 30 million last summer**, and remain at **nearly 20 million one year into the pandemic.**”

CUTTING BACK ON ENHANCED UI BENEFITS WILL NEGATIVELY IMPACT FAMILIES AND THE ECONOMY

Prematurely ending enhanced unemployment insurance benefits will have an immediate and negative impact on millions of American families and on the U.S. economy.

- **16.8 million workers are still using unemployment relief** programs. [The Hill, [5/13/21](#)]
- The U.S. economy is still **short over 8 million jobs from before the pandemic.** [The Century Foundation, [5/13/21](#)]

Cutting UI benefits will have a disproportionately negative impact on workers of color.

- **50% of South Carolina's UI recipients are Black**, as are **54% of Alabama's UI recipients** and **66% of Mississippi's UI recipients**. [The Century Foundation, [5/13/21](#)]

[According to the Century Foundation](#), eighteen states have already announced they would prematurely end extended unemployment benefits. [According to the Century Foundation](#):

- In these 18 states, **2.2 million workers will be cut off from pandemic benefits as soon as June 12**, with workers of color being hit the hardest.
- In general, these **workers will lose 12 weeks of pandemic benefits—costing their state's economies nearly \$12.4 billion**.
- If all of the Republican governors in the United States were to end extended unemployment benefits, those totals would **grow to 4.8 million workers**, risking **depriving state economies of \$29 billion**.

Americans utilizing UI benefits stimulate their state and local economies.

- **"Every \$1 of UI generates \$1.61 that goes back into the local economy**; moreover, UI has been proven to save jobs, prevent evictions, and keep people from being pushed further into poverty." [National Employment Law Project, [5/6/21](#)]
- "With jobs depressed, pandemic benefits have contributed to a fast start for gross domestic product in the first quarter of 2021." [The Century Foundation, [5/13/21](#)]

INVESTING IN THE MIDDLE CLASS THROUGH THE AMERICAN JOBS PLAN AND THE AMERICAN FAMILIES PLAN IS CRITICALLY IMPORTANT

Women and communities of color have faced the brunt of the COVID-19 pandemic. The challenges facing many as they seek to reenter the workforce further demonstrates the need to pass the American Jobs Plan and the American Families Plan. The latest data from the [Bureau of Labor Statistics](#) shows that women's employment declined in April – 8,000 more women left the workforce than joined it.

[According to the Economic Policy Institute](#), "continued caregiving responsibilities **are impinging on the labor supply of women and constitute the primary labor supply bottleneck**."

- "Cutting back on pandemic UI provisions **will not increase the labor supply** of those who cannot work because of COVID-related caregiving responsibilities."
- "The disappointing net job gains this month were not due to a slowdown in gross inflows into employment, instead they were **due to a large pickup in outflows out of employment**. The uptick in transitions out of employment in April were **dominated by women**."
- "Labor force participation rose rapidly last month, but **more than 100% of the gains were accounted for by men**."

“The COVID-19 pandemic forced schools to go to hybrid lessons and child care centers to close, resulting in women’s labor force participation falling to a thirty-three-year low in January, and as of April 2021, employment was down far more among women, especially women of color, than among men. In Montana, one of out of eight workers quit a job due to the lack of child care in 2020. Research found that nearly 30 percent of child care centers closed in South Carolina because of the pandemic.... Of the eighteen states that have cut off pandemic benefits, only six allow for state unemployment benefits in situations when child care is not available—leaving no safety net for many working parents.... So the employer segments complaining the most about employer shortages should be training their attention on working with their governors to resolve child care issues in their states if they want workers to be available for jobs.” [The Century Foundation, [5/13/21](#)]

Too many workers are at risk of being left behind during this economic recovery. Enhanced UI benefits have helped millions of American families survive this pandemic, and prevented an even-worse economic crisis, but more action must be taken to help our nation fully recover. The American Jobs Plan and the American Families Plan are critical to rebuilding our economy and ensuring more people can Make It In America. House Democrats will continue to work with the Biden Administration to advance legislation to promote economic growth and opportunity for all.